

# EXHIBIT A.553



5 May 2002

## **The Palestinian Authority Financed “Fatah” Branch Activities from its Official Budget**

### **Abstract**

1. Documents captured in Ramallah clearly indicate that the **Palestinian Authority funneled money from its official budget, which is financed mainly by Arab and European states, to Fatah and Tanzim branches in the West Bank.** In this manner, the PA created an infrastructure of terror activists in dozens of local branches.
2. The money was drawn from the PA's salaries account and transferred via **Marwan Barghouti's** office to tens of provincial Fatah branches and sub-branches in the West Bank.
3. A section on financing Fatah activities is not stipulated in the PA's official budget, which is supposed to be transparent vis-a-vis the European Union and the IMF. The **implication is that there are surpluses in the PA's salaries budget and some of the funds are directed to other purposes.**
4. The systematic financing of the Fatah organization from the PA budget, which is proved by the photocopied checks dated 1998-99, continued also through 2000-

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01, and was probably even increased during the course of the confrontation with Israel.

### **The PA Financed Fatah Activities with Money Taken from its Official Budget**

1. Documents captured in Marwan Barghouti's office clearly show that the PA financed the activities of Fatah branches in the West Bank, as well as of other organizations operating in the framework of Fatah, from its official budget. In this manner, the PA created an infrastructure of terror activists in dozens of local branches.
2. The money was drawn from the PA's salaries account (account number 01810058/4) kept at the Al-Urdan bank, a Jordanian bank operating in the West Bank (Bank of Jordan P.L.C.). These details were found on over 60 checks dated 1998-99, their photocopies and transfer method were uncovered in Ramallah. The entire process was carried out in Marwan Barghouti's office, and his signature appears on the letters addressed to the bank approving the withdrawal of money by Fatah activists.
3. The money was funneled from the PA salaries account and used for periodic financing of tens of Fatah and Fatah/Tanzim provincial branches and sub-branches in the West Bank. In the same manner, financing was provided for the branches of the "Shabiba" movement (a Fatah youth movement) and for branches of the movement's student associations in colleges such as Bir Zeit. The allocations range between 3,500-17,500 NIS (approximately \$750-4,300 based on an exchange rate of NIS 4.1 to the dollar).
4. This systematic financing, which is proven by the series of checks from 1998-99, continued also during 2000-2001. It is reasonable to assume that during the

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course of the confrontation with Israel the scope of the financing has increased due to the growing expenditure of Fatah/ Tanzim whose activists perpetrated a considerable number of terror attacks.

5. The PA salaries budget in the framework of the PA's overall budget is intended for funding the salaries of the PA's official security apparatuses as well as the civilian offices. There is no article concerning the financing of the Fatah organization in the PA's official budget. This means that there is extra money in the PA's salaries budget which is diverted to other purposes. It is emphasized that the PA budget is supposed to be transparent vis-a-vis the EU, which finances about 10 percent of the Palestinian budget, and the IMF which oversees its management.
6. The Arab states and the EU started to finance a significant part of the PA's current budget since the end of 2000. Between 1998-99, they did not finance the current budget, however this does not lessen the seriousness of the financial moves carried out by the PA.
7. The documents prove that the money transferred to the Fatah, authorized by the highest echelons of the PA, is openly and systematically drawn from the PA budget. It is noteworthy that Palestinian spokesmen have tried to deny this, claiming that the payment orders approved by Arafat are taken from Fatah funds.

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**Appendix A**

Document 1 – (translation of the check)

(Details of the bank account from which the check was drawn)

account # 00810058/4/1

Ministry of Finance – salaries

(Details of the branch where the account is kept)

Bank of Jordan

821- Ramallah branch

Payment made to: the Fatah movement Saluad local branch

NIS 10,000

Date August 5, 1999

(2 signatures)

(a Palestinian Ministry of Finance stamp appears on the check)

Payable to the first beneficiary only.

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(The attached letter)

The State of Palestine	(Fatah logo)	The Palestinian Liberation Movement
The Supreme Movement Council		Fatah
Jerusalem-Ramallah		
Telephone: 02-2954949-50 Fax: 02-2985729		P.O.BOX 1800, the Central Staff.

Date: 15 August 1999

Ref. 42/1618

To: the brothers at Al Urdan Bank – May Allah protect you

Greetings of the homeland and the return,

We request that you cash the check payable to the Fatah movement, Saluad local branch, for the sum of NIS 10,000 numbered 30031899, to the brother Jaber Muhammad Asfur, I.D. number 995860244, as he is the plenipotentiary for the payment.

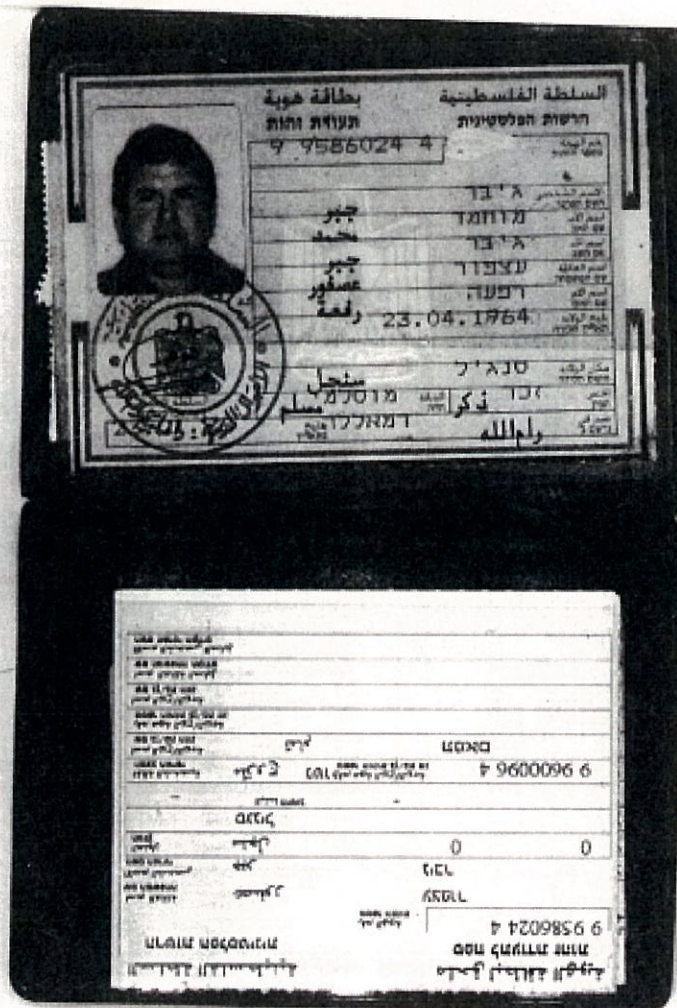
Sincerely in appreciation,

The office of the Supreme Movement Council

Jamal Lafi

(signature)

بنك الاردن  
BANK OF JORDAN PLC  
821 - RAMALLAH BRANCH  
A/C : 008100581411  
MINISTRY OF FINANCE - SALARIES.  
ID. : 000000000  
TEL. :  
بصحة في التمسيد الاول  
وزارة المالية  
PAY TO ORDER  
العملة لاس هركه متفق متوقع سداد  
N/S  
بنك نقف عشر ارفد شكله  
SIGNATURE  
CHEQUE NO. رقم الشيك 31899  
BRANCH NO. رقم الفروع 82100  
ACCOUNT NO. رقم الحساب 008100581411  
BANK OF JORDAN  
بنك الاردن



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حركة التحرير الوطني الفلسطيني

فتح



دولة فلسطين

اللجنة الحركية العليا

الهيس - رام الله تلفون ٥٠-٢٩٥٤٩٤٩-٢٩٥٤٩٤٩ فاكس : ٢٩٨٥٧٢٩-٢٩٨٥٧٢٩ ص ب ١٨٠٠ المقر المركزي

التاريخ : ٨٥ / ٨ / ٢٠١٢

الرقم : ٤٤ / ١٦١٨

الإخوة في بنك الأردن - حفظهم الله

تحية الوطن والعودة وبعد ...

يرجى قراركم بصرف الشيك الخاص بحركة فتح موقع سلواد وقيمته (10,000) شيكل ورقمه (30031899) للأخ جبر محمد جبر عصفور ، حامل هوية رقم (995860244) حيث أنه الجهة المخولة بالصرف.

وتفضلوا بقبول فائق الاحترام والتقدير

مكتب

اللجنة الحركية العليا

جمال لافي

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Comments regarding Document 1

1. The documentation in the file consists of a photocopy of the check, the plenipotentiary's I.D. card and the attached letter addressed to the bank. The series of checks date 1998-99.
2. The English text on the check clearly proves that the money was drawn from the PA's salaries account.
3. A letter is attached to the check authorizing someone (Jaber Muhammad Jaber Asfur, a known senior Fatah activist in the Ramallah area) to draw the cash from the Jordanian bank's branch in Ramallah.
4. The check and letter were signed by Jamal Lafi, Marwan Barghouti's aide-de-camp.

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**Document 2** – (translation of a check)

(Details of the bank account from which the check was drawn)

account # 00810058/4/1

Ministry of Finance– salaries

(Details of the branch where the account is kept)

Bank of Jordan

821- Ramallah branch

Payment made to: the Student Youth Movement/Bir Zeit University

Seventeen thousand five hundred NIS only

Date 27 September 1999

(2 signatures)

(a Palestinian Ministry of Finance stamp appears on the check)

Payable to the first beneficiary only.

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(The attached letter)

The State of Palestine (Fatah logo) The Palestinian Liberation Movement  
The Supreme Movement Council Fatah  
Jerusalem-Ramallah Telephone: 02-2954949-50  
Fax: 02-2985729 P.O.BOX 1800, the Central Staff.

Date: 27 August 1999

Ref. 42/1709

To: the brothers at Al Urdan Bank – May Allah protect you

Greetings of the homeland and the return,

We request that you cash check number 30033761 payable to the Student Youth Movement/ Bir Zeit University, the check is in the sum of NIS 17,500 (and pay) to brother Jamil Said Asad Barghouti, I.D. number 900399668, as he is the plenipotentiary.

Sincerely,

The Supreme Movement Council

Marwan Barghouti

(signature)

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بنك الاردن ش.م.ع  
**BANK OF JORDAN PLC**  
 فرع رام الله  
 821 - RAMALLAH BRANCH

A/C : 01810058/4/8  
 MINISTRY OF FINANCE - SALARIES  
 ID. : 000000000  
 TEL. :

بصرف للمستفيد الأول فقط  
 رقم الحساب 000000000

PAY TO OR ORDER: المستفيد الأول  
 NIS: 1750

SIGNATURE: [Signature] DATE: 27.9.99  
 CHECK NO. رقم الشيك: 30003761 BRANCH NO. رقم الفرع: 821 ACCOUNT NO. رقم الحساب: 0181005848

BANK OF JORDAN بنك الاردن



حركة التحرير الوطني الفلسطيني

فتح



دولة فلسطين

اللجنة الحركية العليا

القدس - رام الله تلفون : ٥٠-٢٩٥٤٩٤٩-٢ فاكس : ٢٩٨٥٧٢٩-٢ ص. ب. ١٨٠٠ المقر المركزي

التاريخ ٩٨٤ ١٩٩٩  
الرقم : ١٧٠٩/٩٤

الإخوة في بنك الأردن / رام الله - حفظهم الله  
تحية الوطن والعودة وبعد ...

نأمل منكم صرف الشيك رقم (30033761) ، والخاص بحركة الشبيبة  
الطلابية/جامعة بيرزيت ، وقيمته (17500) شيكل ، للأخ جميل سعيد اسعد  
برغوثي، حامل هوية رقم (900399668) ، حيث أنه الجهة المخولة بالصرف.

ولكم الأمر

وتفضلوا بقبول فائق الاحترام

اللجنة الحركية العليا

مروان البرغوثي

مروان

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Comments regarding Document 2

1. The English text written on the check clearly proves that the money was drawn from the PA's salaries account.
2. The checks and the attached letters are written in the same style throughout the entire document file, which includes about 60 money transfers to Fatah elements.
3. The Student Youth Movement operates in the framework of the Fatah movement. Bir Zeit University is one of Fatah's strongholds in the Ramallah area.
4. Jamil Said Asad Barghouti is a known Fatah/Tanzim activist and is in charge of the Shabiba movement (the Fatah youth movement) at Bir Zeit and in the Ramallah area.
5. The letter to the bank is signed by Marwan Barghouti, who is the head of Fatah/Tanzim in the West Bank as well as of Fatah's "Supreme Movement Council".